

## **News Release**

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### **USDA ANNOUNCES 1998-CROP FLUE-CURED TOBACCO GRADE LOAN RATES**

WASHINGTON, June 9, 1998 -- The U.S. Department of Agriculture's Commodity Credit Corporation today announced grade loan rates for the 1998-crop of flue-cured tobacco, based on the price support level of \$1.628 per pound.

The 1998-crop grade loan rates range from \$1.06 to \$1.91 per pound, unchanged from the 1997-crop grade loan rates.

The Flue-Cured Tobacco Cooperative Stabilization Corporation will deduct one cent per pound from the grade loan rates for administrative overhead costs for tobacco pledged as collateral for a loan.

Loans are not available with respect to flue-cured tobacco identified by a 1998 Tobacco Marketing Card bearing the notation "No Price Support," or "Discount Variety - No Price Support."

Tobacco offered for price support that does not have a certification that it is free of curing-barn insulation will have a loan value of zero. The 1998 Tobacco Marketing Card will be marked with the notation "NO CERTIFICATION" and individual lots of tobacco will be stamped "NO CERTIFICATION" at the auction warehouse.

For tobacco identified by a 1998 Tobacco Marketing Card bearing the notation "Discount Variety - Limited Support," the applicable rates are one-half of the rates quoted in the schedule plus 50 cents per hundred pounds. Any grade to which the special factor "sand" or "dirt" is added (denoting a moderate amount of sand or dirt in excess of normal) will be eligible for price support at 90 percent, rounded to the nearest cent of the otherwise applicable rate.

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For the 1998-crop of flue-cured tobacco, any grades in the B and H grade groups (leaf tobacco) on which the Agricultural Marketing Service places an "M" (mixed) grade designation will be discounted 5 cents per pound from the otherwise applicable rate for the same B or H grade without the "M" designation.

Also, loans are unavailable on tobacco grades P5L, P5F, P5G, N1L, N1GL, N1XL, N1XO, NO-G (no grade), N2 (second quality nondescript), W (doubtful keeping order), U (unsound) or scrap. However, marketings of these low grades will be charged against the quotas established for farms on which they were produced.

Further program information is available from Steve Freeman, telephone (202) 720-7445, e-mail [Steve\\_Freeman@wdc.fsa.usda.gov](mailto:Steve_Freeman@wdc.fsa.usda.gov)

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The individual grade loan rates for the 1998-crop of flue-cured tobacco follow:

1998 CROP FLUE-CURED TOBACCO PRICE SUPPORT SCHEDULE

GRADE	LOAN RATE	GRADE (cents per pound farm sales weight)	LOAN RATE	GRADE	LOAN RATE
B1L	191	H3F	187	X3V	153
B2L	189	H4F	185	X4V	145
B3L	187	H5F	177		
B4L	185			X3KM	148
B5L	177	H4FR	183	X4KM	139
		H5FR	176		
B1F	191			X4KL	134
B2F	189	H4K	180		
B3F	187	H5K	172	X4KF	134
B4F	185				
B5F	177	C1L	178	X4KV	130
		C2L	176		
B1FR	190	C3L	174	X4G	129
B2FR	187	C4L	168	X5G	124
B3FR	186	C5L	160		
B4FR	183			X4GK	128
B5FR	176	C1F	178		
		C2F	176	P2L	147
B3K	182	C3F	174	P3L	137
B4K	180	C4F	168	P4L	133
B5K	172	C5F	160		
				P2F	147
B3KR	180	C4KR	161	P3F	137
B4KR	176			P4F	133
B5KR	167	C4V	158		
				P4G	117
B3V	178	C4KM	157		
B4V	172			M4F	143
B5V	165	C4KL	155	M5F	133
B3KM	174				
B4KM	171	C4KF	155	M4KR	131
B5KM	164				
		C4G	143	M4KM	128
				M5KM	126
B3KL	170	C4GK	139		
B4KL	166			M4GK	118
B5KL	156	X1L	172	M5GK	112
		X2L	164		
B3KF	170	X3L	160	N1K	144
B4KF	166	X4L	149	N1R	127
B5KF	156	X5L	135	N1GF	117
				N1GR	116
B4KV	160	X1F	172	N1KV	119
B5KV	150	X2F	164	N1GG	106
		X3F	160	N1BO	126
B4G	153	X4F	149		
B5G	145	X5F	135		
B4GK	151	X3KR	156		
B5GK	143	X4KR	148		